

Message Text

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SUBJECT: S&T: COMPUTER APPLICATIONS: DECISION-MAKING
(01.010503)

REF: A) STATE 76-295712, B) MOSCOW 3237, C) MOSCOW 3330,
D) LETTER FROM STARBIRD TO OZIRA

1. SEE SEPTTEL (AUFENKAMP LETTER TO IVASHCHENKO).
AUFENKAMP REQUESTS THAT FOLLOWING LETTER FROM JOHN AUSTIN
BE FORWARDED TO PROFESSOR OZIRA WITH COPIES TO PROFESSOR
N. N. IVASHCHENKO, DEPUTY CHIEF, DEPARTMENT OF SCIENCE,
MHE, 11 AHDANOV STREET AND PROFESSOR G. K. POPOV,
ECONOMICS FACULTY, MOSCOW STATE UNIVERSITY AND TO
BARABOSHKIN AND ZARODOV, SCST. FYI. AUFENKAMP RECOMMENDS
THAT SCST BE PRESSED TO ASSIST IN SETTING UP THOSE
PORTIONS OF AUSTIN'S PROGRAM WHICH LIE OUTSIDE THE MHE.
IN RESPONSE TO REF C AND D AUFENKAMP ADVISES THAT PRIMARY
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CONTACTS WITH GOSPLAN IN REGARD TO POSSIBLE JOINT RESEARCH
ON MODELING OF EAST-WEST TRADE ARE BEING MADE BY U.S.
PROJECT PARTICIPANTS UNDER TOPIC 2 (01.0102). AUFENKAMP
BELIEVES THAT MEETING SUGGESTED IN REF D WOULD BE
COUNTERPRODUCTIVE AND RECOMMENDS THAT IT NOT BE HELD UNLESS
U.S. PROJECT PARTICIPANTS FAMILAR WITH DISCUSSIONS THAT
HAVE TAKEN PLACE CAN ALSO BE PRESENT. END FYI.

2. 01.010503 - MARCH 30, 1977

PROFESSOR VITALY OZIRA
CHAIRMAN, DEPARTMENT OF MANAGEMENT
PLEKHANOV INSTITUTE OF THE NATIONAL ECONOMY
STREMJANNIJ 28
MOSCOW
U.S.S.R.

DEAR PROFESSOR OZIRA:

THIS LETTER IS WRITTEN TO, FIRST, EXPRESS THE GRATITUDE OF MYSELF AND MY COLLEAGUES TO YOU AND PROFESSOR MOCHALOV FOR THE EXCELLENT PROGRAM AND ITINERARY THAT YOU PROVIDED FOR US IN FEBRUARY. WE ALL FELT THAT A GREAT DEAL WAS ACCOMPLISHED IN ACHIEVING THE UNDERSTANDING THAT WILL LEAD TO THE RESULTS THAT ALL OF US ARE HOPING FOR IN THIS JOINT PROGRAM ON THE METHODS OF MANAGEMENT DEVELOPMENT. SINCE OUR RETURN WE HAVE HAD A NUMBER OF DISCUSSIONS ABOUT THE PROJECTS THAT WE WILL BE PROPOSING FOR FUTURE JOINT EFFORTS AND FEEL CONFIDENT THAT THERE WILL BE ENTHUSIASTIC SUPPORT FROM ALL OF OUR PARTICIPATING INSTITUTIONS.

SECONDLY, I WANTED TO SEND YOU SOME DETAILS ABOUT THE PLANS FOR MY PROGRAM IN MAY SO THAT YOU WOULD HAVE TIME TO COORDINATE ALL OF THE ARRANGEMENTS.

I WILL PLAN TO ARRIVE ON TUESDAY AFTERNOON, MAY 3, 1977
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FOLLOWING THE HOLIDAY WEEKEND. THE INFORMATION ON THE EXACT FLIGHT AND ARRIVAL TIME WILL BE FORWARDED LATER. HOPEFULLY, IT WILL BE POSSIBLE FOR YOU TO GET ME A ROOM AT THE NATIONAL HOTEL. I WILL EXPECT TO STAY FOR FOUR WEEKS.

AS WE HAVE DISCUSSED, THERE ARE THREE BASIC PURPOSES FOR THIS VISIT TO MOSCOW.

(1) LECTURES AND DISCUSSIONS ON METHODS OF MANAGEMENT DEVELOPMENT FOR FACULTY MEMBERS AND POST-GRADUATE STUDENTS.

I WILL ADDRESS THIS SUBJECT IN THE CONTEXT OF THE TASK OF EDUCATING EXECUTIVES IN THE MANAGEMENT OF INFORMATION SYSTEMS. AN OUTLINE IS ATTACHED. THERE WILL BE THREE SESSIONS, EACH OF WHICH SHOULD INCLUDE AN OPPORTUNITY FOR QUESTIONS AND DISCUSSION. THE TOPICS OF THE THREE SESSIONS ARE:

(A) TEACHING BY THE CASE METHOD

(B) THE ROLE OF FIELD STUDIES

(C) THE USE OF COMPUTER-BASED METHODS AND MANAGEMENT GAMES

AS I INDICATED IN FEBRUARY I WILL EXPECT TO USE 35MM SLIDES

TO ILLUSTRATE MY LECTURES. THE WIDEST POSSIBLE PARTICIPATION FROM MANAGEMENT EDUCATION INSTITUTIONS WILL BE WELCOME.

(2) VISITS TO THE INSTITUTE OF MANAGEMENT OF THE NATIONAL ECONOMY AND THE INSTITUTE OF SYSTEMS RESEARCH FOR 3-5 DAYS EACH.

AS WE DISCUSSED WITH MR. SHORIN, THIS PART OF THE PROGRAM COULD CONSIST OF A SERIES OF DAYS IN RESIDENCE AT THIS INSTITUTE FOR DISCUSSIONS ON THE DEVELOPMENT OF HIGHER LEVEL EXECUTIVES, ON THE USE OF ACTIVE METHODS OF

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INSTRUCTION, AND ON THE DEVELOPMENT AND METHODOLOGIES OF MANAGEMENT INFORMATION SYSTEMS. IF IT WOULD BE DESIRABLE FOR ME TO GIVE A LECTURE OR CONDUCT A SEMINAR AT THIS INSTITUTE, I WOULD BE WILLING TO DO SO. THE MAIN PURPOSE, HOWEVER, WOULD BE TO HAVE DISCUSSIONS WITH FACULTY MEMBERS AND PARTICIPANTS ABOUT THE DEVELOPMENT METHODS AND REQUIREMENTS OF HIGH-LEVEL EXECUTIVES IN THE U.S. AND THE SOVIET UNION.

WITH REGARD TO THE INSTITUTE FOR SYSTEMS RESEARCH THE PROGRAM COULD FOLLOW THE PATTERN SUGGESTED BY MR. MYASNIKOV DURING OUR DISCUSSION AT THE STATE COMMITTEE FOR SCIENCE AND TECHNOLOGY: THAT IS, THERE COULD BE 3-5 DAYS OF MEETINGS WITH REPRESENTATIVE MEMBERS OF THE PROFESSIONAL STAFF TO DISCUSS RESEARCH TOPICS OF MUTUAL INTEREST, INCLUDING:

(A) THE USE OF COMPUTER-BASED SYSTEMS IN PLANNING.

(B) THE METHODOLOGIES FOR DEVELOPING DISTRIBUTED INFORMATION SYSTEMS.

(C) THE USES OF COMMUNICATIONS IN DISTRIBUTED INFORMATION SYSTEMS.

(D) THE METHODOLOGIES FOR THE DEVELOPMENT OF DATABASE MANAGEMENT SYSTEMS.

(E) THE USES OF VARIOUS PROGRAMMING LANGUAGES IN THE DEVELOPMENT OF DATABASE MANAGEMENT SYSTEMS.

(F) THE APPLICATION OF COMPUTERS TO MANAGEMENT DEVELOPMENT.

(G) THE ROLE OF COMPUTER-BASED SYSTEMS IN THE PLANNING AND MANAGEMENT OF LARGE ENTERPRISES.

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(H) THE ROLE OF INFORMATION SYSTEMS IN EAST-WEST TRADE.

(I) THE METHODOLOGIES AND ROLES OF SIMULATION MODELS.

(J) THE PROBLEMS OF IMPLEMENTATION OF LARGE-SCALE SYSTEMS.

THE PURPOSE OF THESE DISCUSSIONS AT BOTH INSTITUTES WOULD BE TO EXCHANGE VIEWS ON THE CURRENT APPROACHES BEING TAKEN IN BOTH COUNTRIES, AND TO ESTABLISH THE BASIS FOR FUTURE PROJECTS OF JOINT RESEARCH ON TOPICS OF MUTUAL INTEREST TO THESE INSTITUTES AND LEADING UNIVERSITIES IN THE U.S.

(3) DISCUSSION WITH SOVIET EXECUTIVES IN THE AREA OF FOREIGN TRADE, WITH OFFICIALS IN THE MINISTRY OF FOREIGN TRADE AND THE ACADEMY OF FOREIGN TRADE WITH A VIEW TO THE SELECTION OF JOINT U.S.-SOVIET ECONOMIC ACTIVITIES FOR THE PURPOSE OF PREPARING TEACHING MATERIALS ON THE PROBLEMS OF MANAGEMENT OF SUCH ACTIVITIES FOR BOTH U.S. AND SOVIET MANAGERS.

WITH REGARD TO THIS PART OF THE PROGRAM IT WOULD BE MOST HELPFUL IF DISCUSSIONS COULD BE ARRANGED WITH APPROPRIATE OFFICIALS, SUCH AS:

A. L. STESNOV, CHIEF
MAIN ADMINISTRATION FOR COMPENSATION PROJECTS AND THE
IMPORT OF MACHINERY AND EQUIPMENT FROM CAPITALIST
COUNTRIES, MINISTRY OF FOREIGN TRADE (MFT)

N. V. ZINOVYEV, CHIEF
ADMINISTRATION FOR TRADE WITH AMERICAN COUNTRIES (MFT)

V. A. PRASOLOV, CHAIRMAN
V/O SOYUZONESKSTROY IMPORT

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N. N. VASILYEV, CHAIRMAN
V/O VNESHTEKHNIKA

B. S. VAGONOV, RECTOR
ACADEMY OF FOREIGN TRADE

THESE NAMES ARE OFFERED AS POSSIBLE PERSONS; THERE MAY BE OTHERS WHO WOULD BE APPROPRIATE, POSSIBLY IN THE STATE COMMITTEE FOR SCIENCE AND TECHNOLOGY KNOWN TO MR. MYASNIKOV; IN THE STATE COMMITTEE FOR PLANNING, SUCH AS V. V. MORDVINOV; OR IN THE STATE COMMITTEE FOR FOREIGN ECONOMIC RELATIONS.

PERHAPS THIS PRORTION OF THE PROGRAM COULD BE COORDINATED WITH MR. MYASNIKOV'S ASSISTANCE.

THE PURPOSE OF THESE DISCUSSIONS WOULD BE TO DETERMINE THE MUTUAL INTEREST IN MANAGEMENT EDUCATION ON EAST-WEST TRADE, AND TO DEVELOP THE BASIS FOR AN ON-GOING PROJECT UNDER SUB-TOPIC 3 IN THIS AREA.

I HOPE THAT THESE PROPOSALS ARE CLEAR AND THAT YOU WILL BE SUCCESSFUL IN MAKING ARRANGEMENTS. IF YOU SHOULD NEED MORE INFORMATION FROM ME REGARDING THE DETAILS PLEASE CONTACT ME BY TELEPHONE (617) 495-6351 OR CABLE THROUGH THE EMBASSY.

I WILL SEND YOU MY FLIGHT INFORMATION WITHIN TWO WEEKS. UNLESS I HEAR FROM YOU TO THE CONTRARY I WILL ASSUME THAT THE DATES AND PROGRAM AS PROPOSED ARE ACCEPTABLE.

PLEASE GIVE MY REGARDS TO PROFESSOR IVASHCHENKO AND ALL MY OTHER SOVIET COLLEAGUES, AND TELL THEM THAT I AM ANTICIPATING A GOOD WORKING VISIT IN MAY.

SINCERELY,
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JOHN E. AUSTIN

CC:PROFESSOR IVASHCHENKO
PROFESSOR G. K. POPOV
MR. BARABOSHKIN
MR. ZARODOV

ATTACHMENTS

EDUCATING EXECUTIVES IN THE MANAGEMENT OF INFORMATION SYSTEMS

INTRODUCTION:

INFORMATION IS A MANAGEABLE RESOURCE. IT REQUIRES PLANNING AND OVERSIGHT FOR ITS ACQUISITION, PROCESSING, STORAGE AND USE. IT SHOULD SERVE ALL THE NEEDS OF THE ORGANIZATION FOR WHICH IT IS GATHERED. SYSTEMS FOR PROCESSING INFORMATION SHOULD BE MATCHED TO THE COMPLEXITY OF THE OPERATIONS OF THE ORGANIZATION.

INFORMATION SYSTEMS MANAGEMENT REQUIRES THE UNDERSTANDING OF THE TOP EXECUTIVES OF AN ORGANIZATION TO BE EFFECTIVE. THEY SET THE STANDARDS FOR EVERYTHING THAT HAPPENS.

THE EDUCATION OF EXECUTIVES IN THE CONCEPT OF INFORMATION

MANAGEMENT SHOULD STRESS INTERACTIVELY THE TACTICAL AND STRATEGIC REQUIREMENTS THAT INFORMATION SYSTEMS SERVE RATHER THAN THE MECHANICAL METHODS FOR INFORMATION PROCESSING, STORAGE AND RETRIEVAL. THE ROLE OF THE COMPUTER SHOULD BE TAUGHT IN ORGANIZATIONAL TERMS; I.E., WHAT CAN THE COMPUTER DO FOR THE ORGANIZATION, NOT HOW DOES THE COMPUTER WORK.

EXPERIENCE HAS SHOWN THAT THERE ARE THREE FORMS OF EDUCATION. UNCLASSIFIED

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TING EXECUTIVES WHICH ARE PARTICULARLY EFFECTIVE, THE DESCRIPTION OF WHICH WILL CONSTITUTE THE MAJOR PORTION OF THIS PAPER:

- (1) TEACHING BY THE CASE METHOD
- (2) THE ROLE OF FIELD STUDIES
- (3) THE USE OF COMPUTER-BASED METHODS AND MANAGEMENT GAMES

TEACHING BY THE CASE METHOD:

THROUGH THE USE OF EXPLICATED EXAMPLES THE CASE METHOD PROVIDES OPPORTUNITIES TO ANALYSE - AND INTERNALIZE - THE CONCEPTS OF THE USE OF INFORMATION SYSTEMS IN ORGANIZATIONS. CASES APPEAL TO THE PRAGMATIC SIDE OF THE EXECUTIVE MIND AND ENABLE THE INDIVIDUAL TO RELATE THE CASE MATERIAL TO HIS OWN EXPERIENCE AND HIS OWN ORGANIZATIONAL NEEDS.

SUMMARIES OF THREE CASES THAT TEACH THE ROLE IN INFORMATION SYSTEMS WILL FOLLOW:

CASE A: INFORMATION SYSTEMS IN A BUSINESS SETTING
CASE B: INFORMATION SYSTEMS IN A GOVERNMENT SETTING
CASE C: INFORMATION SYSTEMS IN AN INTERNATIONAL SETTING

THE ROLE OF FIELD STUDIES:

MANY EXECUTIVES LEARN BEST FROM DIRECT CONTACT THROUGH

OBSERVATION AND ANALYSIS OF PROBLEMS IN AN OPERATIONAL CONTEXT. THIS FOLLOWS DIRECTLY FROM THE ROLE THAT THE CASE METHOD PLAYS IN THE CLASSROOM. THE HARVARD BUSINESS SCHOOL COMPUTER-BASED INFORMATION SYSTEMS FIELD STUDY PROGRAM, WHICH HAS BEEN IN EXISTENCE FOR NINE YEARS, HAS PROVIDED EXECUTIVES IN TRAINING WITH PROJECTS BASED ON REAL ORGANIZATIONAL ISSUES IN CORPORATIONS SUCH AS CELANESE, CHASE MANHATTAN BANK, IBM AND XEROX, AS WELL AS MANY UNCLASSIFIED

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SMALLER ORGANIZATIONS. IN A FOUR MONTH PERIOD THE STUDENTS

WORK IN TEAMS OF TWO GATHERING DATA, ANALYSING THE SITUATION, FORMULATING RECOMMENDATIONS AND INTERACTING WITH CORPORATE MANAGEMENT.

TYPICAL PROJECTS INCLUDE THE DEVELOPMENT OF THE PLAN FOR THE INTRODUCTION OF A NEW INFORMATION SYSTEM INTO AN ORGANIZATION, OR THE REVIEW OF THE SUCCESS OF AN ON-GOING SYSTEM. THESE PROJECTS ENABLE THE EXECUTIVE STUDENT TO OBSERVE THE RELATIONSHIPS OF INFORMATION SYSTEMS ACROSS ALL THE FUNCTIONAL AREAS BEING SERVED, AND ALSO TO DISCUSS THE PROBLEMS OF INFORMATION MANAGEMENT WITH OTHER EXPERIENCED LEADERS.

THE USE OF COMPUTER-BASED METHODS AND MANAGEMENT GAMES:

THE USE OF SIMULATION THROUGH COMPUTER-BASED INSTRUCTIONAL METHODS AND MANAGEMENT GAMES HAS PROVEN TO BE A THIRD VERY EFFECTIVE WAY TO INVOLVE EXECUTIVE STUDENTS IN LEARNING ABOUT INFORMATION SYSTEMS. SUCH METHODS ENABLE MANY PROCESSES TO BE INTERRELATED AND SPEEDED UP SO THAT OBSERVATIONS IN THE FIELD WHICH WOULD NORMALLY TAKE WEEKS OR MONTHS TO MAKE CAN BE REPRODUCED ON THE COMPUTER IN MINUTES OR HOURS, DEPENDING ON HOW THE PROCESS IS CONSTRUCTED.

IN ADDITION, TEAMS CAN BE FORMED TO WORK TOGETHER ON THE SIMULATION WHICH PROVIDE THE EXPERIENCE OF TEAM ORGANIZATION AND MANAGEMENT IN RELATION TO THE PROBLEM BEING SIMULATED ON THE COMPUTER. THIS BLENDING OF THE USE OF AN INFORMATION SYSTEM TO TEACH ABOUT INFORMATION SYSTEMS WITH THE STRESSES AND REQUIREMENTS OF GROUP ACTIVITIES HAS HAD MANY SUCCESSFUL APPLICATIONS.

SUMMARIES OF THREE KINDS OF SIMULATION EXERCISES WILL FOLLOW:

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EXERCISE A: THE HARVARD MANAGEMENT GAME

EXERCISE B: THE NEW YORK UNIVERSITY MANAGEMENT DECISION LABORATORY

EXERCISE C: THE UNIVERSITY OF MICHIGAN MANAGEMENT GAME

CONCLUSION:

THE FUNCTION OF THE SUCCESSFUL EXECUTIVE IS BEST DESCRIBED AS THE EFFICIENT COMMUNICATION OF POLICIES AND DIRECTIVES TO SUBORDINATES ACCOMPANIED BY THE HIGHEST LEVEL OF MOTIVATION. INTERACTIVE TEACHING METHODS ARE THE BEST PREPARATION FOR THIS KIND OF RESPONSIBILITY. IN THE MANAGEMENT OF INFORMATION SYSTEMS SPECIAL CARE MUST BE TAKEN TO INSTILL THE IMPORTANCE OF EFFECTIVE SYSTEMS AS WELL AS THE METHODOLOGIES BY WHICH THEY CAN BE APPLIED.

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